



WASHOE COUNTY

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CM/ACM JDS
Finance Z
DA PL
Risk Mgt. n/a
HR n/a
Other n/a

STAFF REPORT

BOARD MEETING DATE: March 8, 2016

DATE: February 23, 2016
TO: Board of County Commissioners
FROM: John Slaughter, County Manager
jslaughter@washoecounty.us, (775) 328-2000

SUBJECT: Appoint Mark Mathers, Budget Manager, to fill the vacancy created by the expiration of Trustee John Sherman's term, per Article VI, 6.1(a) of the Trust Agreement for the Washoe County, Nevada OPEB Trust Fund, adopted by the Board of County Commissioners on May 11, 2010 and restated on February 8, 2011. (All Commission Districts)

SUMMARY

The purpose of this agenda item is to recommend the Board of County Commissioners appoint Mark Mathers, Budget Manager, to serve in the Trustee capacity conferred in the Trust Agreement, per Article VI, 6.1(a) of the Trust Agreement for Washoe County, Nevada OPEB Trust Fund, adopted by the Board of County Commissioners on May 11, 2010.

Washoe County Strategic Objective supported by this item: Valued, Engaged Employee Workforce.

PREVIOUS ACTION

On May 11, 2010, the Board of County Commissioners approved and authorized the Chairman to execute a Trust Agreement for the Washoe County, Nevada OPEB (Other Post Employment Benefits) Trust Fund and the appointment of three trustees as the Board of Trustees for that Trust.

On January 10, 2012, the Board of County Commissioners appointed John Sherman to serve as a Trustee of the Washoe County, Nevada OPEB Trust Fund Board of Trustees, per Article VI, 6.1(a) of the Trust Agreement for the Washoe County, Nevada OPEB Trust Fund, adopted by the Board of County Commissioners on May 11, 2010. Mr. Sherman was appointed to fill the vacancy created by the resignation of another Trustee.

On May 28, 2013, the Board of County Commissioners appointed Darrell Craig to serve as a Trustee of the Washoe County, Nevada OPEB Trust Fund Board of Trustees, per Article VI, 6.1(a) of the Trust Agreement for the Washoe County, Nevada OPEB Trust Fund, adopted by the Board of County Commissioners on May 11, 2010. Mr. Craig was appointed to fill a vacancy created by the resignation of another Trustee.

AGENDA ITEM # 6.F

On May 12, 2015, the Board of County Commissioners appointed Joey Orduna Hastings to serve as a Trustee of the Washoe County, Nevada OPEB Trust Fund Board of Trustees, per Article VI, 6.1(a) of the Trust Agreement for the Washoe County, Nevada OPEB Trust Fund, adopted by the Board of County Commissioners on May 11, 2010. Ms. Hastings was appointed to fill a vacancy created by the resignation of another Trustee.

BACKGROUND

In 2006, Governmental Accounting Standards Board (GASB) Statement No. 45 was issued to provide more complete, reliable, and decision-useful reporting of costs and financial obligations that governments incur when they provide non-pension postemployment benefits as part of the compensation to their employees. Postemployment healthcare benefits, the most common form of other post employment benefits, are a very significant financial commitment for many governments. Washoe County had been utilizing a special revenue fund, the Pre-Funded Retiree Health Benefits Fund, to accumulate resources to pay for the County's retiree health insurance liability. In order to apply those assets against this liability, however, GASB 45 required that the assets be in an irrevocable trust fund. GASB Statement No. 45 on Other Postemployment Benefits accounting became effective for Washoe County in fiscal year ending June 30, 2008.

In 2007, NRS 287.017 was passed allowing the creation of such trust funds with appropriate investment mechanisms for the purpose of meeting the GASB 45 requirements.

On May 11, 2010, the Board of County Commissioners approved a resolution authorizing creation of the Washoe County, Nevada OPEB Trust Fund, and appointed a three-member Board of Trustees to govern the Trust's financial activities.

Article VI, 6.1 of the Trust Agreement states in part, "This Trust shall be administered by three or more Trustees who shall be appointed by the Trust Sponsor's governing body to act in a fiduciary capacity for the beneficiaries of the Trust, pursuant to NRS 287.017(2)(e) and NAC 287.788(1)(a). No member of the Trust Sponsor's governing body that creates the Trust may be appointed as Trustee."

Article VI, 6.1(a) states, in part, ".....the Trust Sponsor's governing body shall appoint at least three but no more than five Trustees who must include:

- 1) At least one member who has a combination of education and experience of at least 5 (five) years in finance or economics;
- 2) A public officer or employee of an Employer who manages the fiscal affairs of the Employer; and
- 3) A beneficiary of the Trust.

Article VI, 6.2(a) of the Trust Agreement also instructs, in part, ".....Upon resignation or removal of any Trustee, the Trust Sponsor's governing body shall appoint a successor Trustee who shall have the same powers and duties as are conferred upon the Trustees appointed under this Trust....."

Ms. Hastings is Washoe County's Assistant County Manager for Administration and Finance, and thus, is a public officer or employee of an Employer who manages the fiscal affairs of the Employer.

Mr. Craig is a beneficiary of the Trust.

Mr. Sherman's four year term as a Trustee expired on January 10, 2016.

Mark Mathers, Budget Manager, would serve as the member who has a combination of education and experience of at least 5 (five) years in finance or economics.

Article VI, 6.1(c) of the Trust Agreement also instructs, in part, "Each Trustee shall be appointed for a term of at least two years but not to exceed four years. ..."

In acknowledgement of a benefit in obtaining the finance and economics expertise of Mark Mathers, concurrent with the expiration of Mr. Sherman's term as Trustee, Washoe County, as a Trust Sponsor, nominates Mark Mathers to serve as the "member who has a combination of education and experience of at least 5 (five) years in finance or economics", as required pursuant to Article VI of the Trust Agreement. It is further recommended that Mr. Mathers serve a term of four years.

Mr. Mathers is the Washoe County Budget Manager. Prior to joining Washoe County he was the Chief Deputy Treasurer at the Office of the Nevada State Treasurer. Mr. Mathers has over 20 years of experience in various finance related positions, including chief investment officer for large governments such as the State of Missouri and the County of San Bernardino, California and lead agency official supervising debt management. Mr. Mathers also has a Master's in Public Administration. Mr. Mathers education and experience far exceeds the 5 (five) years in finance or economics required.

The recommended appointment will secure compliance pursuant with NRS 287.017, under which the Trust was created.

FISCAL IMPACT

No fiscal impact.

RECOMMENDATION

It is recommended that the Board of County Commissioners appoint Mark Mathers, Budget Manager, to serve as a Trustee on the Washoe County, Nevada OPEB Trust Fund Board of Trustees to fill the vacancy created by the expiration of John Sherman's term as a Trustee, per Article VI, 6.1(a) of the Trust Agreement for the Washoe County, Nevada OPEB Trust Fund, adopted by the Board of County Commissioners on May 11, 2010 and restated on February 8, 2011.

POSSIBLE MOTION

Should the Board agree with staff's recommendation, a possible motion would be that the Board of County Commissioners "move to appoint Mark Mathers, Budget Manager, to serve as a Trustee on the Washoe County, Nevada OPEB Trust Fund Board of Trustees to fill the vacancy created by the expiration of John Sherman's term as a Trustee, per Article VI, 6.1(a) of the Trust Agreement for the Washoe County, Nevada OPEB Trust Fund, adopted by the Board of County Commissioners on May 11, 2010 and restated on February 8, 2011."